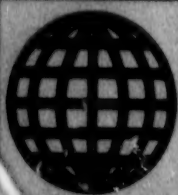


JPRS-NEA-94-010
1 March 1994



FOREIGN
BROADCAST
INFORMATION
SERVICE

JPRS Report

Near East & South Asia

Near East & South Asia

JPRS-NEA-94-010

CONTENTS

1 March 1994

NEAR EAST

REGIONAL AFFAIRS

- France Urges Countries To Stop Aiding Islamists [*Algiers LIBERTE 18 Jan*] 1

PALESTINIAN AFFAIRS

- Gaza Labor Union Election [*Nicosia FILASTIN AL-THAWRAH 30 Jan*] 1

ALGERIA

- New French-Language Daily Newspaper Published [*ENTV*] 2

EGYPT

- Islamic Scholar Attacks Secularists, Views Terrorism [*AL-AHRAM 29 Jan*] 2
 Writer Accuses 'Ruling Dictatorship' of Nurturing Terrorism [*AL-WAFD 3 Feb*] 2

JORDAN

- Impact of Peace Plan on Real Estate [*London AL-MAJALLAH 12 Dec*] 3

KUWAIT

- AL-SHALL Report Knocks Government Economic Report [*London AL-HAYAH 22 Jan*] 4

MOROCCO

- Dialogue Demanded on Forming New Government [*London AL-SHARQ AL-AWSAT 20 Jan*] 5
 Industrial Production, Export Figures Given [*London AL-SHARQ AL-AWSAT 21 Jan*] 5
 Human Rights Group Report on Prison Deaths [*AL-ITTihad AL-ISHTIRAKI 20 Jan*] 6

UNITED ARAB EMIRATES

- Abu Dhabi Court Postpones BCCI Case [*London AL-SHARQ AL-AWSAT 23 Jan*] 8

SOUTH ASIA

INDIA

- Madhya Pradesh Chief Minister Said Striving for Identity [*JANSATTA 18 Jan*] 10
 Alternative Budget Being Planned by Citizens Council [*JANSATTA 24 Jan*] 11
 New Challenges Facing Finance Minister Viewed [*NAVABHARAT TIMES 10 Jan*] 12
 Leftist Leaders Consider Importance of Unity [*TIMES OF INDIA 9 Jan*] 13

IRAN

- Inflaming Regional Armament Rush [*Paris AL-WATAN AL-'ARABI 10 Dec*] 14
 Commentary Blames Algerian Military for Unrest [*SALAM 2 Feb*] 16

REGIONAL AFFAIRS

France Urges Countries To Stop Aiding Islamists 94AF0082A Algiers LIBERTE in French 18 Jan 94 p 7

[Article by Salah Abar: "Pasqua at El Ayoun Asked Saudis and Moroccans To Quit Aiding Islamists"]

[Text] LE POINT, the French weekly, reports this week that [French Interior Minister] Charles Pasqua has asked Saudi and Moroccan authorities to "curb" the Islamists.

In exchange, Paris would promise financial aid to Algeria. This was the burden of talks held about a week ago in El Aaiun, capital of Western Sahara, between the French interior minister and his Saudi counterpart, Emir Nayif Bin-'Abd-al-Aziz Al-Sa'ud. Observers said the French initiative springs from the new strategy adopted just three months ago in Paris, following approaches from Algerian and Tunisian authorities.

[Tunisian] President Ben Ali reportedly has convinced the French to take steps to protect the Maghrebian zone from "Islamist turbulence." France is now convinced collapse of the Algerian regime would ineluctably drag the rest of the Maghreb—along with other Arab countries such as Egypt, Jordan, and Yemen—down the dangerous road to Islamism.

Also, according to reliable sources, a report prepared by French intelligence (DGSE [General Directorate for External Security]) supports Quai d'Orsay's assessment that France would undoubtedly become a battleground for rivalries between Arab modernists and Islamists, should Algerian fundamentalists come to power in Algeria.

France has a Muslim population of more than 4.5 million. This daunting prospect was responsible for steps taken by French authorities to defuse any possibility of an explosion in the Maghreb.

Place Beauvau (headquarters of the Interior Ministry) is convinced Algeria has two overriding needs: first, severance of the supply lines providing arms and money to the armed Islamist groups;

second, financial aid to revive its economy and alleviate popular discontent.

Paris believes the Saudis and Moroccans have a role to play on both fronts.

According to LE POINT, Pasqua spoke with Emir Nayif about the need for Franco-Saudi cooperation in the struggle against the Islamists, and in particular about the aid some Saudi princes continue providing to the FIS [Islamic Salvation Front]. Pasqua asked for an immediate halt to such aid.

The same message was delivered to the Moroccans, it has been learned.

FIS leaders have stated that "Afghans" forced to leave Pakistan have transited Moroccan territory on their way back to rejoin Islamist terrorist cells in Algeria. Everyone knows Moroccan authorities have quietly tolerated these

Islamist "infiltrations," despite Rabat's decision last year to remand into Algerian custody Abdelhak Layada, a high-ranking leader of the GIA [Armed Islamic Group] arrested in Oujda.

According to LE POINT, Rabah Kebir and Anwar Haddam even approached Morocco with a proposal to recognize the "Moroccanness" of the Sahara to prevent establishment of [Islamist] staging bases on the kingdom's territory.

Pasqua has also initiated contacts to convince Iranian leaders to stop meddling in the affairs of the Maghrebian countries. The new French strategy was behind the decision to release two Iranian terrorists who were supposed to be turned over to Swiss authorities.

PALESTINIAN AFFAIRS

Gaza Labor Union Election

94AA0045B Nicosia FILASTIN AL-THAWRAH
in Arabic 30 Jan 94 p 10

[Text] The Federation of Palestinian Labor Unions in the Gaza Strip has renewed its commitment to the revolution and to building an independent Palestinian state with its capital in Jerusalem under the leadership of Chairman Abu 'Ammar [Yasir 'Arafat]. This was the message contained in a telegram that the Federation's chairman, the members of the general secretariat, and the executive committee and bureau sent to Abu 'Ammar on 21 January on the occasion of their victory in the Federation's elections. The offices were distributed as follows:

Rasim al-Bayyari, president of the confederation;

'Ayish 'Ubayd, vice president;

Tariq al-Hindi, secretary;

Muhammad Madukh, treasurer;

Isma'il Muhrah, chairman of executive committee.

The following executive committee members were elected:

Rasim al-Bayyari, Mahir Dahlan, and Ibrahim al-Batran from the Metal Industries Union;

Muhammad Madukh and Zaki Khalil from the Tailoring and Textile Union;

Muhammad Qunaytah and Muhammad al-'Afifi from the Arab Drivers Union;

Isma'il Muhrah and Bashir al-Sisi from the Commercial and Services Union;

Tariq al-Hindi and 'Abd-al-'Aziz Kalub from the Arab Agriculture Union;

'Ayish 'Ubayd and Jamil Jaras from the Carpentry and Building Union.

ALGERIA

New French-Language Daily Newspaper Published

LD0202212794 Algiers ENTV Television Network
in Arabic 1900 GMT 2 Feb 94

[Text] A newborn media baby has appeared in kiosks—it is L'INDEPENDANT, which is a new national news daily in French. Its editorial said in particular that fate makes the daily L'INDEPENDANT receptive to the store of hope represented by civil and political society. In its first issue, the newspaper commits itself to open its pages to the dialogue of ideas, and the defense and promotion of cultural, social, and human values.

EGYPT

Islamic Scholar Attacks Secularists, Views Terrorism

NC0202084694

[Editorial Report] Cairo AL-AHRAM in Arabic on 29 January publishes on page 16 an approximately 3,500-word article by Islamic scholar Dr. Mustafa Mahmud in which he attacks secularists in Egypt as "enemies of religion" and "trumpets of a foreign cultural invasion" of the country.

The writer maintains that the secularists' chief concern is "to confront religion and slander Islamists." The secularists, he says, "view terrorists and Islamists of all schools of thought as one and the same thing. Categorizing them into moderate Islamists, extremist Islamists, and criminal terrorists, secularists say, is merely a distribution of roles within the same trend, a backward and metaphysical trend hostile to civilization."

Acknowledging anyone's right to choose his own thinking and ideology, the writer contends that no one should go beyond this freedom to attack religion and those who believe in it. "Those in our country who adopt secularism as their ideology are free to do so. If they use the sword of authority or the weapon of the media to confront the other side, they will be dragging the country to catastrophe. But they will achieve nothing. No force, no matter how strong, can sow this bad seed in Egypt's soil. Egypt can never suit the growth of this kind of thought; it is the land of faith, religion, and prophets."

Commenting on the current debate on religion and secularism, Mahmud says: "I don't think such debate could have started if the stage had not been carefully prepared for it by the horrible introduction of the so-called Islamic terrorism." The writer adds sarcastically: "And because there is Islamic terrorism, the secularist assembly must take the lead and rush to defend our society, which is threatened with destruction."

The writer then cites a CNN report on CIA financial support for Golboddin Hekmatyar, "who runs training camps for over 10,000 terrorists in Afghanistan," concluding that "Islamic terrorism, which suddenly appeared on the scene to upset balances in the region, is

a creation, premeditated sedition." He explains: "After the Islamists triumphed in Afghanistan, it became a pressing American interest to divide their ranks and create conflict among them to deprive them of the fruits of victory and, more importantly, to turn Islamic rule into a massacre so that no one would be tempted to establish such rule." He adds: "If Hekmatyar is opening scores of camps to train over 10,000 terrorists and then send them to particular Arab countries for sabotage, this is his second mission. Through his agents in Pakistan or any other agent Arab country, the CIA will provide him with the millions he needs."

The writer states: "If they are sabotaging Egypt and distorting its Islam so that it has no Islamic rule, then they are mistaken. With the diversified composition of its people and its position amid storms, Egypt will not choose 'a professional Islamist' to rule it. It will always prefer a civilian government that respects Islam and preserves its traditions and respects Christianity and preserves its values. No Egyptian Islamist thinker plans to rule. The Islamists' greatest ambition is to create an enlightened and influential Islamic public to preserve religion's values and role in the social arena."

"If they realized this," the writer adds, "they would feel at ease and let others rest; they would save those squandered millions. But, most likely, they have a far-reaching objective: Shaking the Islamic creed, breaking its backbone, and removing it from hearts. But they, and all the money in the world, can never achieve this."

Writer Accuses 'Ruling Dictatorship' of Nurturing Terrorism

NC0802113294 Cairo AL-WAFD in Arabic 3 Feb 94
p 6

[Article by Dr. Ibrahim Dasuqi Abazah]

[Excerpt] President Husni Mubarak is very much interested in stability, and has been keen to call on the national forces to defend stability. His Excellency underlined this call in his recent speech at the Police Academy and described at length the dangers facing the country as a result of instability.

We do not disagree with the president about the need for stability, and reject any attempt to undermine it. But we fully disagree with the president when he says that terrorism is the only cause of instability and that ending it will lead to stability. This is a simplification of the problem. It disregards the real reasons for and deep roots of the problem.

The real reason for instability is not terrorism, but the ruling dictatorship that created terrorism. The bullets were not fired from a vacuum, but due to a painful reality produced by the dictatorship and its bad policies and abnormal actions. Had there been a flourishing economy, social justice, and equality before the law, no crisis would have developed, suffering would not have increased, and corruption would not have spread. All

these factors created the atmosphere which led to violence and the spread of terrorism. They established terrorism as the basis for the bloody way of dealing with the ruling authority.

Terrorism, if the president would like to know, is not the direct reason for instability, but the natural outcome of the regime's dictatorship. Why confuse cause and effect?

Is the purpose of this confusion to prompt the political parties to stand behind the president against terrorism?

If this was the purpose, it will only achieve something that already exists, because the parties reject terrorism and have often announced this rejection on every occasion. What more does the president expect from them?

Does he expect them to go down on the streets to fight the terrorists? Or does he expect them to find work for every unemployed person? There is a home for every naked person; there is treatment for every sick person; and there is a punishment for every criminal.

The opposition can do nothing more than reject terrorism and alert people to its dangers. It will not be able to contain or end terrorism, whatever means it may have, as long as the reason for the problem continues to exist. What is the purpose of this repeated call to defend stability? Why do they deliberately disregard the factors that threaten stability?

Any observer of the regime's actions on ordeals and crises can only conclude that the purpose and goal of the call for a dialogue is to achieve stability for the regime itself, and not to achieve stability, security, and peace for Egypt—unless we maintain that the ruling regime is a democratic one that depends on the popular will and heeds it. In such a case, the regime's stability or instability would be considered Egypt's stability or instability. But the reality is that there is an organic separation between the ruling regime and the broad popular base. The regime is in one valley and the people in another. Any attempt to link the regime with the popular base is bound to fail because the interests of the masses and their daily sufferings are not taken into consideration by the regime, except in its propaganda.

The only solution is for the regime to admit that there is something wrong and start correcting it. This, in short, means recognizing the need for political reform and accepting the need for direct talks with the national forces about the steps to move toward democracy, and about the substance, measures, and timetable for this transformation. This transformation is the natural prelude to the achievement of the desired economic and social reforms. [passage omitted]

JORDAN

Impact of Peace Plan on Real Estate

94AA0035A London AL-MAJALLAH in Arabic
12 Dec 93 p 61

[Unattributed article: "After Years-Long Recession, Peace Plan Expectations Raise Temperature of Jordanian Construction Sector"]

[Text] Signs of energy have surfaced in the Jordanian real estate and construction market, where varied transactions have been concluded in various parts of West Amman. This is a sign to which investors attach great expectations, hoping that it will lead the market out of the stagnation it has been experiencing for several months.

AL-MAJALLAH has become certain that a number of transactions were concluded in recent weeks as a result of a 5-10 percent drop in land prices and a 20-25 percent drop in apartment prices, whereas investment real estate has maintained its high levels.

Arab and foreign firms owned by Jordanians led the market activity in a step which has been characterized by observers as being within the framework of preparation for the post-peace era, which has entered the countdown phase.

High-level economic sources expect great growth in the Jordanian building and construction sector in the foreseeable future. They expect this sector's contribution to the domestic product to exceed the figures recorded in 1992, amounting to 99 percent [as published], and to the added value, amounting to 164 million dinars [JD] (\$237.8 million). This sector is characterized by the fact that it is interlocked with the other sectors. Nearly 15 percent of the gross domestic product is attributed to this sector.

This real estate market activity coincides with the imminent implementation of the Jordanian five-year plan projects. This plan's investment program abounds with a large number of infrastructure construction projects. Construction sector experts assert that the volume of credit facilities provided by Jordanian banking apparatus units from the beginning of the year to the end of last August amounted to JD572 million, amounting to 21 percent and ranking second behind the commercial sector.

Engineer Muhammad Ibrahim, a Jordanian real estate officer, believes that the banks' demands of real estate investors compelled the latter to reduce their prices in order to fulfill their bank obligations. The market responded promptly to this reduction, which amounted to nearly 20 percent in some cases, thus devouring investors' profits.

Engineer Ibrahim expects that the building and construction sector's performance will improve with the inauguration of the economic activities of the Palestinian-Israeli accord, which will extend to the other sectors because of the link between the Palestinian and Jordanian economies.

Engineer Muhammad Khayr Zayd al-Kaylani, a real estate investor and chairman of the Housing Real Estate Investors Association, does not agree with Engineer Ibrahim regarding the reduced prices' impact on the market. But al-Kaylani did agree that the market has been experiencing severe stagnation since last September because of political reasons, coupled with lack of clarity

in the Jordanian economy's future trends and the state of anticipation and caution prevailing in the various sectors of the Jordanian economy.

Al-Kaylani agrees that the market suffers from a surplus in housing apartments, noting that this surplus started to accumulate in the second half of this year. He added that 2.7 million square meters were licensed in 1990. The figure rose to 4.37 million square meters in 1991 and 6.5 millions square meters in 1992 as a result of the leap in demand for housing and land in wake of the return of 350,000 expatriates from Kuwait. Al-Kaylani added that the picture has changed this year, with the licensed area amounting in the first half of this year to 1.65 square million meters. The figure is expected to amount to 3 million square meters by the end of the year.

Fawwaz Mahmud, the head of a business group, denied that there is a big surplus in housing apartments in the Jordanian real estate market. He asserted that the international apartment vacancy rate ranges from 7-10 percent to meet demand for relocation, seasonal tourism, citizens' needs to change their housing, and other reasons. Mahmud expects apartment prices to hold up, supporting his opinion with the statement that most of the building and construction industry raw material is imported from abroad and not subject to local market activity. He added that selling apartments at reduced prices means saddling real estate investors with losses.

On his part, Isma'il 'Amr, director of the Amman International Real Estate Firm, expects the real estate market to move later, perhaps in 1995, because the market has experienced unprecedented construction activity and real estate investments amounted to JD1.5 billion (\$2.2 billion). He added that this activity was not planned activity and that the fifth private sector took the initiative in this activity. Excess local liquidity, large and unstable demand for housing real estate, and limited investment opportunities in the Jordanian market added momentum to the construction activity.

In the past 30 years the real estate market has experienced fluctuations, strangulations, and demand periods, spurred mainly by compulsory evacuations, political events witnessed by the region since 1967, the Lebanese war and the Kuwait war of liberation, and finally, the peace process and the Gaza-Jericho accord and the results they are expected to produce.

KUWAIT

AL-SHALL Report Knocks Government Economic Report

94AE0072A London AL-HAYAH in Arabic 22 Jan 94
p 10

[Text] The weekly AL-SHALL economic report criticized the government's report concerning the economic situation in the country and the government's inability to give accurate statistics in good time. The report's text follows:

Government's Report Concerning the Economic Situation

The government has submitted a report to the National Assembly concerning economic conditions in the country, describing developments of the situation with regard to public finance, the oil sector, directions and changes of monetary policy, the foreign trade sector, and the securities market. The report went into structural problems that the Kuwaiti economy faces and proposals to counter those issues, even though they are within desirable limits in many of their directions. There was tangible progress in the report, compared with previous reports and statements by the government, in which there was wariness concerning political reactions and a desire not to publish recent or clearly defined numbers.

The government based its expectations for general revenue in the draft 1993-94 budget on production levels of 1.8 million barrels per day [bpd], at an average price per barrel of \$14. Oil revenue in the first half of the current fiscal year (July-December 1993) was approximately 1.235 billion Kuwaiti dinars [KD]. This means that it was a little higher than budget estimates, if it were computed on the basis of an entire year.

However, the present crisis in the oil market has forced the government to modify its estimates and compute oil revenues for the rest of the year at a production rate of a million bpd, at an average price of \$10.50 per barrel. That is a healthy direction.

The government estimates that if the current level of oil prices continues, it will add 210 million more dinars to the estimated budget deficit, which will total KD1.2 billion, if we exclude the savings from income earmarked for future generations' reserve.

The government estimates the deficit for half the fiscal year at KD820 million, as a result of its disbursing more than half of the budget credits. Total remitted to the ministries, agencies, and organizations was ID2.221 billion, an average of KD370 million a month or about \$1.2 billion. This is not a good indicator since, usually, actual expenditures are less than estimates. If disbursement rates continue as they are, they could put pressure on future budget credits. The numbers put forth by the government do not reflect the country's actual financial position for a half year, nor the estimated position for a full year. There is either a lack of comprehensiveness in the draft budget or the government's estimates, because of reduced revenue and expenditures outside of the budget.

The part pertaining to oil dealt with less than half of the known developments in that sector, such as the rise in production rates during 1993 from 1.5 million bpd to 2 million barrels daily, after OPEC's recent agreement. There was also the increase in refining capacity from 415,000 bpd to 580,000 barrels, following the resumption of operations of most of Ash Shu'aybah's refinery units. The report confirms the initialling of an agreement to establish a new petrochemical complex, costing—by

previous statements—about \$2 billion. The important matter is that the project will have foreign participation.

The report also dealt with the monetary and banking sector and referred to the rise in private sector deposits with commercial banks. However, it mentioned that most of the increase was in deposits of foreign currencies, attributing that to the banks' fear of accepting Kuwaiti dinar deposits, in view of their expectations of a greater drop in interest rates for the dinar, on the one hand, and because of the dearth of local investment opportunities on the other. The increase in private sector deposits totaled KD339 million. The deposits in foreign currency were KD234 million, or 69 percent of the total. The Central Bank believes that the lowering of interest rates and activity of the Kuwaiti securities market contributed to the 9.7-percent increase in volume of credit incentives in November 1993 over December 1992. About 39 percent of those incentives were personal.

In another matter, the report stated that the development of foreign trade statistics lagged five months behind, since they only cover the first seven months of 1993. This is unjustifiable. Those statistics show a trade surplus of around KD522 million, since the value of exports was KD1.678 billion, while imports totaled KD1.156 billion. The latter number is close to pre-invasion levels, because imports totaled KD1.146 billion for the first seven months in 1990.

MOROCCO

Dialogue Demanded on Forming New Government 94AF0062C London AL-SHARQ AL-AWSAT in Arabic 20 Jan 94 p 3

[Article by Hatim al-Bitiwi from Rabat: "Ali Yata Calls for Resumption of Dialogue For Forming New Moroccan Government"]

[Text] Ali Yata, secretary general of the Party of Progress and Socialism, called for the resumption of dialogue for forming a new government. He called for a firm resolve to prevail in that dialogue for reaching an agreement which would be consistent with the national interest and responsive to the aspirations of the Moroccan people.

Yata, who was speaking at a press conference that was held yesterday in Rabat, said, "The circumstances are right for such an agreement to be reached provided we start our quest with the premise that there are no pending issues which are impervious to solutions." He pointed out that a solution was always possible when the will to find it precedes the effort that is made to find it.

The secretary general of the Party of Progress and Socialism pointed out that the general national consensus was that bringing about total change was extremely necessary. He added that the present government had no credibility and that its weakness was evident in the discussion, which is taking place at the present time, about this year's state budget. Not only was its term not extended for an additional month, it seemed

also that it might be overtaken by the month of Ramadan, the month of fasting.

Yata pointed out that it was the failure to deal with the situation politically that brought the country to this impasse. He said that the forces of change represented the only way for bringing about the radical change that was required. He called for the reorganization of the Unified Front of the Moroccan Opposition Forces, and he asked that the reorganization be conducted without partisan fanaticism, in a spirit of understanding and responsibility.

Yata spoke about Morocco. He said that while the country was stable, it was everyone's national duty to concede that the masses in cities and villages were very worried because of the large number of unemployed youth in those cities and villages.

Yata confirmed that what can be found deep inside Moroccan society must be taken into account. He pointed out that the outcome [of the current situation] could be unpleasant and that it might be similar to the bloody events which happened in Fes and Tangier on 14 December 1990. He warned that the current situation could lead to the same events.

Yata mentioned that his party does not want to take Morocco backwards, but that it is rather the opinion of his party that an effort be made to move beyond the present situation and set the process of change in motion. No one disputes that this process is necessary.

Yata said there was nothing new in the statement on democracy that was issued by the three parties of the democratic bloc, the Istiqlal Party, the Socialist Union of Popular Forces, and the Organization of Democratic Popular Action, and he pointed out that there was a set of ideas that these parties had compiled in a document. That statement on democracy was issued on the 50th anniversary of the day on which the document calling for the independence of Morocco was presented.

Yata added that as he read that statement, he got no sense of any escalation or justification for the boycott on the part of the three parties. He confirmed that there were ideas he agreed with and others that were debatable, and he said that he would like to discuss those ideas with yesterday's allies.

Industrial Production, Export Figures Given 94AF0062A London AL-SHARQ AL-AWSAT in Arabic 21 Jan 94 p 11

[Article by Zuhayr Dawudi from Rabat: "Number of Industrial Firms Is 6,100; Industrial Production in Morocco Rises to DH115 Billion; Textiles, Food, Chemicals, Pharmaceuticals Are Most Important Exports"]

[Text] The most recent official figures indicate that the value of industrial production in Morocco stands now at approximately 115 billion Moroccan dirhams [DH], that is, about a 4-percent increase over last year's level of

production. The figures also indicate that the number of domestic and foreign industrial firms in Morocco stands now at 6,100.

The figures indicated that the rate of growth exceeded 7 percent in the dehydrated and canned food industries and amounted to 8 percent in the paper industry. It was 11 percent in construction materials, 16 percent in tobacco and beverages, and between 3 and 5 percent in the remaining conversion industries.

An official at the Ministry of Commerce, Industry & Privatization in Rabat told AL-SHARQ AL-AWSAT that approximately 351,000 workers are now employed as permanent workers in the conversion industries, and 86,000 workers are employed in those industries on a seasonal basis. The total number of workers, which is 437,000, represents about a 3-percent increase over the total number of employed workers last year.

The ministry official said that total investments in the conversion industries rose by about 14 percent to DH9 billion. He added that a worker's average rate of productivity stands now at DH103,000. The industries with the highest returns are the tobacco and beverage industries where average worker production stood at DH980,000. In the pharmaceutical, food, and chemical industries, average productivity in those industries stood at DH339,000.

The ministry official said that production at the government's industrial firms now amounts to about 27 percent of total industrial production. He added that firms engaged in the production of food, chemicals, and pharmaceuticals produce about three-quarters of the total output produced by the government's industrial firms.

The ministry official [also] said that the value of industrial exports rose by 4 percent to about DH29 billion. That is equal to about 63 percent of industrial imports. He said that the most important export industries were the chemical and pharmaceutical industries (24 percent of the total), the textile industry (23 percent), and the food processing industry (19 percent).

The ministry official added that the number of exporting firms stands at 1,600, a figure which represents about 28 percent of the total number of industrial firms. He said that these firms contribute more than half the industrial production and employ about 60 percent of industrial workers.

The number of firms in which foreign investors have a share stands at about 1,000. These firms produce approximately one-third of total industrial production.

Investment by foreign capital in the conversion industries amounts to about 15 percent of total investment in those industries. The value added to conversion industries stands at about DH36 billion. That is about 15 percent of the total domestic added value.

Human Rights Group Report on Prison Deaths

94AF0062B Rabat AL-ITTihad AL-ISHTIRAKI in Arabic 20 Jan 94 pp 1, 2

[Unattributed article: "Moroccan Organization for Human Rights Publishes Report on Those Who Died While in Government's Custody; More Than 17 Deaths in the Government's Police Stations and Dungeons Because of Mistreatment, Torture; Cases Were Not Properly Investigated"]

[Text] El Yaagoubi Abdeljalil, a citizen, died approximately five years ago only two hours after he was arrested by police in Ouarzazate. The authorities claimed that Abdeljalil's death was merely a "suicide." Many people lost their lives, before and after Abdeljalil lost his, while they were guests of the government in its police stations and its public and secret detention centers. While the bodies of the dead were being carried out of the cold prison surroundings and taken to their graves for burial, questions about these deaths were relegated to oblivion. Even in official circles complaints filed by the victims' relatives and by human rights organizations fell on deaf ears. Officials paid no attention to these complaints just as they paid no attention to respecting people's right to life and to the dignity of those citizens who died in the government's dungeons.

Ever since its establishment in 1988 the Moroccan Organization for Human Rights has given maximum attention to those deaths that occur in centers that are subordinate to the judicial police and local authorities and those that result from the use of general force. It has demanded an investigation in each one of the many cases in which the victims' families had been persuaded to file complaints. The organization filed its own complaints and demanded civil rights [for the victims] but to no avail. All inquiries directed to the Ministry of Justice, in its capacity as the competent government authority that is responsible for the office of the attorney general, also went unanswered. Out of 17 cases recorded by the organization in which death had occurred under suspicious circumstances and the involvement of public officials was suspected, only two have been turned over to justice.

The Moroccan Organization for Human Rights issued a report on the subject yesterday. The report, which included incidents related to the deaths, listed those deaths from 1989 to 1993. The organization demanded that the Ministry of Justice tell the public what measures were taken by judicial authorities in all the cases discussed in the report. It also demanded that a fair investigation of those matters be duly held and that every official in the judicial police or with security forces be turned over to the competent courts if evidence is found against him that he was engaged in torture while a prisoner was in his custody or that he used unjustified force in the public street. The organization demanded that the court award the victims' families the compensation that they are entitled to receive.

The organization protested against all forms of evading punishment that infringe upon the notion of a state of

law and order. Evading punishment infringes upon Morocco's international obligations and violates the protection clause for the fundamental rights of individuals.

Almost five years ago, on 4 February 1989 to be specific, El Yaagoubi Abdeljalil, a citizen, died just two hours after he was arrested by the police in Ouarzazate. At first, the death was considered a suicide.

The Moroccan Organization for Human Rights wrote to the Ministry of Justice, demanding an ordinary judicial investigation into the matter, and it filed a complaint demanding civil justice. The prosecution declared that there would be an investigation, but that announcement has had no effect to speak of to date. No security official was turned over to justice. Unfortunately, that was neither the first such case, nor was it the last.

Since then the organization has received several complaints from the families of citizens who died under identical circumstances in police stations, police centers, or in locations that are affiliated with local authorities. The press also featured other similar cases where death had occurred and local authorities, in most cases, had taken no action to respond or comment. Those matters that were brought to the organization's attention most recently have to do with the death of Mustapha Hamzaoui in Fhenifra and Abdallah Bentaouet and Mounir Azzag in Tangier.

All inquiries sent to the Ministry of Justice, as the governmental authority that is responsible for the office of the attorney general, went unanswered, and none of the cases were turned over to justice, except for the 1989 case of Mr. Ben Khalifa Abderrahman in Ahwaz Marrakech and the 1991 case of Mr. Lameskam El Hachemi in Casablanca. In those two cases death had occurred as a result of the two victims' being subjected to violence in the public street by public officials.

The authorities have always claimed that these cases were suicides and that those who died had hanged themselves. In making such a claim the authorities were relying on medical testimony or reports prepared mostly by physicians who are not forensic physicians and unaccompanied by a sanctioned attendance roster. And yet, most of the medical documents that were examined by attorneys or by the organization do not always categorically rule out that violence or torture was used on the victims. Also, the physicians who were charged with performing autopsies were not always independent, nor did they observe the principles of medical ethics. Furthermore, the suicide story was often contradicted by identical evidence that pertained to the material circumstances of the case (the method used to commit suicide, the characteristics of the building where the detainee was being held, and the limited period of time during which the person was detained: between a few hours and two days). The suicide story was also contradicted by the absence of clear motives for suicide. That is why we find that families were always rejecting the official story.

And yet it seems that most of the cases in which death had occurred under suspicious circumstances while a person was in custody or was being detained were closed after the office of the attorney general conducted what was merely an administrative procedure. No judicial investigation was conducted in those cases, and even the few that were investigated did not end up in court.

And yet, Morocco's penal code penalizes acts of violence committed by individuals, whoever they might be. And 14 years ago, the Moroccan state ratified the international convention on civil and political rights that renounces all forms of torture. In fact, it was recently, on 21 June 1994, that Morocco signed an agreement against torture and other forms of harsh, inhumane, or degrading treatment or punishment.

The organization had welcomed a review of the criminal guidelines that went into effect two years ago. These include some mechanisms to protect people from torture during the course of an interrogation. It seems that this measure and the instructions that accompanied it contributed to a reduction in the practice of torture, which, according to the testimony of many, occurred quite frequently until the end of 1990.

It has been noticed, nevertheless, that some public officials are still practicing torture. That was established in the courts in the cases of those citizens who were arrested in Bouznika during the June 1993 parliamentary election¹, and it is also evident in the cases in which death had occurred in the past two years.

And yet, security officers do from time to time resort to the use of general force and physical violence as a way of controlling people. This happened in the case of Mr. Lamaskam El Hachemi in Casablanca and in the case of Nouaimi Mohamed in Rabat. This issue had previously been raised in the organization's report that was issued in the wake of the distressing events of December 1990. The organization calls attention to the fact that the use of general force is subject to specific international standards determined by the code of conduct for officials who are charged with implementing the laws that were approved by the UN General Assembly on 17 December 1979. This code stipulates specifically that those officials cannot resort to the use of force unless it becomes absolutely necessary. If force must be used, it is to be used within the boundaries that are required for the performance of their duties.

The case of Mr. Benmouh who died in the police station in Rabat on 30 September 1990 shows that first aid was denied to a person who had asthma and who had been arbitrarily arrested during a police raid.

In December the organization's national office decided to issue a report on this matter after noticing that there had been no follow-up on 15 of the 17 cases that it had recorded as cases in which a public official might have been involved. In addition, all the efforts made by the organization to get officials to respond to this matter went unanswered.

In the meantime, the minister of justice indicated specifically in his answer to a question posed by a representative about one of the last three cases that, "It is inconceivable that people who are supposed to protect lives and property turn around and attack lives and property. When something like that happens, it behooves the king's deputy to go to the location where such an incident took place and conduct an investigation that must be thorough and must reveal everything."

"Complaints have been filed by the families with the investigating magistrate, and investigations into those complaints will run their course. It is inconceivable that a criminal, regardless of his social status, would go unpunished."

In putting in the record the content of this statement, which differs from the position that was taken by public authorities, the national office of the Moroccan Organization for Human Rights is demanding [the following]:

1. That the Ministry of Justice announce to the public the measures that are being taken by the judicial authorities, and specifically, by the competent district attorneys, on all the issues raised in this report;
2. That a fair judicial investigation be conducted in accordance with the law. Since the facts of this case are not old, an investigation cannot be impeded by the fact that a decision to close the case was made by the office of the attorney general;
3. That every officer in the judicial police or in the security forces against whom there is evidence that he became engaged in torturing a prisoner who was in his custody be taken to a duly qualified court of law where he may be duly tried in accordance with the requirements of the penal code. The same would apply to one who used unjustifiable violence in the public street.
4. That the courts award the victims' families the compensation to which they are entitled.

The National Office of the Moroccan Organization for Human Rights protests all forms of evading punishment that run counter to the notion of a law and order state. Evading punishment also runs counter to our country's international commitments and violates the protection clause for individuals' fundamental rights. Proper application of the law against those who engage in torture is an unavoidable requirement for the elimination of a terrible practice that was too often used during preliminary investigations. Torture was even sometimes practiced outside those preliminary investigations. The practice of torture is an unacceptable violation of a person's right to life, his right to be free from bodily harm, and his right to dignity.

A List of Victims from 1989 to 1993

Yaagoubi Abeljalil, in Ouarzazate, 1989; Bouizzat El Kharaz, in Boujaad, 1989; Abdessalam El Ouahabi, in Larache, 1989; El Arabi El Cherat, Sidi-Slimane, 1989; Abderrahim Ben Khalifah, Marrakech, 1989; Belghiti Moulay Ali in Casablanca, 1989; Habaysa El Talebi, in Azilal, 1989; Adali Ali, in Ouezzane, 1990; El Touati

Idris, in Er Rachidia, 1991; Lamiskam El Hachemi, in Casablanca, 1991; Benmouh Mohamed Benabdelkader, in Rabat, 1991; Hadri Hamida, in Taourirt, 1991; El Nouaimi Mohamed, in Rabat, 1992; Mustapha El Hamzaoui, in Khenifra, 1993; Bentaouet Abdallah, in Tangier, 1993; Mounir Azzag, in Tangier, 1993.

We will try to publish details about the aforementioned list.

UNITED ARAB EMIRATES

Abu Dhabi Court Postpones BCCI Case

94AE0071A London AL-SHARQ AL-AWSAT in Arabic
23 Jan 94 p 9

[Article by 'Abd-al-'Aziz al-Sadiqi and Taj-al-Din 'Abd-al-Haq: "Abu Dhabi Court Postpones Case of BCCI Accused; Movement to Expedite Decision, Preparatory to Surrendering Naqawi to the United States"]

[Text] The Abu Dhabi Criminal Court, at the end of its closed session held yesterday, 22 January 1994, decided to postpone the trial of those accused in the Bank of Credit and Commerce International [BCCI] case until 5 February 1994.

In justifying its decision to hear the case in closed sessions beginning with yesterday's session, the court stated that "this is in conformity with the Penal Code and the adoption of considerations related to public law, in view of current circumstances and ramifications, especially pertaining to the public interest and the position of the accused. Therefore, the court deems it appropriate to hear the case in closed session."

Defense sources said that, in the course of the trial yesterday, nothing occurred to make it necessary to change to closed sessions. Most of the points raised had already been raised in one form or another in previous sessions.

Defense sources also stated that the postponement for two weeks instead of a month, as was the case in past sessions, reflected the court's desire to expedite completion of the trial and the issuing of verdicts.

These sources have expressed the belief that the sessions will begin to be expedited, with greater progress being made in the case. Sessions could be consecutive, at a rate of one every two or three days.

Nevertheless, lawyers have refused to offer any interpretation for the reasons for expediting the trial. However, circles close to the litigation widely believe that expediting the trial proceedings is related to the agreement to hand over the second accused, Swaleh Naqvi, to the United States. It is said that he will be surrendered within 120 days.

These circles stated that Naqvi cannot be surrendered while his trial continues in Abu Dhabi. Perhaps this means that Abu Dhabi is inclined to conclude the trial by next April, in order to facilitate his surrender to American judicial authorities.

Counselor Muhammad Tamam, who is defending Naqvi, said that he will not object to turning Naqvi over and that the trial that Naqvi will have in the United States is related to other matters, which are unconnected to the Abu Dhabi trial. Naqvi will be asked about violations pertaining to the establishment of banks within the United States.

Reasons for Postponement

After the closed session, the Abu Dhabi court issued a report concerning the reasons for postponing the session yesterday. It stated that the postponement was to give the defense the opportunity to peruse all the documents presented to the court, as well as to give them an opportunity to examine the Public Prosecutor Office's memorandum, which had been submitted during yesterday's session, and to give those who so desired a copy of this memorandum. Another reason was to re-advise the first accused, Agha Hassan Abedi, in writing, and to re-advise the accused Ziauddin Akbar, who is imprisoned in Britain, by diplomatic means.

The two accused were notified two weeks ago, but judicial sources stated that the fact that they were outside the country necessitated informing them again, so that they could have more time.

At yesterday's session, the public prosecutor raised the question of conflicts among the defendants' interests, particularly those who are being defended by one lawyer. The prosecution has requested that the defense be confined to one defendant, since certain lawyers are defending several accused at one time.

The lawyers thought the request strange, because this question was discussed at the trial's first session. In the prosecutor's presence, the judge had ruled that certain lawyers could continue to defend two defendants at the same time, when there was no conflict of interests. Yesterday, the court put off consideration of the prosecution's request concerning the question of conflict. It also agreed to hand over a copy of the Ernst and Young, which is a part of the court records.

Lawyers' Requests

At yesterday's session, the lawyers presented a joint memorandum of requests relative to a number of defendants. One of the most important of these requests was for files pertaining to the shareholders' management committee, which was formed by representatives of senior shareholders, whose members include Ghanim Faris al-Mazru'i and Jaw'an Salim al-Zahiri. The request also included calling the committee members to testify, if necessary.

The lawyers submitted justifications for their requests. In their memorandum, they said that these files might prove that the suspicious loans, which their clients have been accused of making, were made with the knowledge and approval of the management committee, since they are influential persons with right of disposition in accordance with the law. The memorandum stated that compliance with this request might change the course of the lawsuit.

In their joint memorandum, the lawyers requested the minutes of actions and meetings of the certified accountants (Arthur Andersen), which were conducted with the accused, because they contain documents and records upon which their report was based. This is required to enable the defendants to express their views about these documents.

In their joint memorandum, the lawyers for the accused asked for the reports of the accounting investigators of Price, Waterhouse, the report of Neil Blair, and the report of the law firm Allen and Afri (name as transliterated). To justify this request, the lawyers said that these reports clarify the bank's situation. If they can establish that the accounts and restrictions were healthy, then the accused would be cleared of criminal activity.

The lawyers also requested the report of Ernst and Young, upon which the public prosecutor's office has relied. They are claiming civil rights, since the prosecution has not enabled the defense to examine it, despite the fact that it constitutes evidence.

They also requested the files of loans related to the charges against their clients, since these files constitute the "body of crime." This would require placing those files in the court's custody and consequently enabling the accused to examine them, in order to show the soundness of procedures followed.

The lawyers pointed out that some of these loans had been paid in full, while certain defendants have been implicated in other loans without their having had a role regarding them, inasmuch as these loans were made outside their jurisdictions or after the approval of responsible officials.

In their memorandum, the lawyers requested that the accused be released without bail. They pointed out that all the charges related to them are connected and cannot be separated, inasmuch as they must be considered one crime in accordance with Article 88 of the United Arab Emirates' Unified Penal Code. The maximum punishment for this crime is three years. In view of the fact that the accused have in fact completed that, they ought to be released at once, because of the legal invalidity of their being detained.

INDIA

Madhya Pradesh Chief Minister Said Striving for Identity

94AS0180A New Delhi JANSATTA in Hindi 18 Jan 94
p 5

[Article by Kumar Anand: "Digvijay Singh is in the Spiral of Trying to Escape Arjun Singh's Shadow"]

[Text] Chhindwara, 17 January—Madhya Pradesh Chief Minister Digvijay Singh and Central Environment State Minister Kamal Nath may not be as strong supporter of Central Human Resources Development Minister Arjun Singh as they were in the past, however, they are not in the mood for a direct confrontation with him, either. Both have set up their official lines. They hope that Arjun Singh will not dissect those. Arjun Singh had told a legislator who is angry at the Digvijay Singh cabinet that Digvijay Singh was not obeying him. Still, if he has to choose between this legislator and the chief minister, he will have to pick the chief minister. This legislator is the same as that had helped Arjun Singh openly in his anti-Rao campaign. Digvijay Singh is concerned with freeing his image from Arjun Singh's shadow. However, this freedom cannot fit in Arjun Singh's politics. Therefore, we can assume there are many possibilities and concerns embedded in this separate stand.

On the other end, Madhav Rao Scindia's close associates maintain that all this a staged drama and deep down in his heart Digvijay Singh is still with Arjun Singh. Not only the nominations of his cabinet members but also their appointments to different departments were decided by Arjun Singh. They give the example of Scindia-supporter Mahender Singh in support of this argument. It is said that Digvijay Singh had promised him the position of minister of industries, however, later gave him the education portfolio. The industries department went to Arjun Singh's brother-in-law Rajender Singh. The chief minister reportedly told Mahender Singh that Arjun Singh wanted an able minister in education department so that this department works according to his wishes. The directors of the new equation in the cabinet say that Rajender Singh has access to Arjun Singh. They should have further asked why did Arjun Singh make such a close relative a minister. Those who are legislators now can become ministers. They have to keep in mind who supported whom in the past. Both Digvijay Singh and Kamal Nath were also with Arjun Singh. Digvijay Singh's appointment as chief minister had affected Madhav Rao Scindia most. Digvijay Singh and Mr. Scindia are from the same region—Gwalior-Chambal. Close associates of Kamal Nath say that Mr. Scindia had told Kamal Nath that either he should become the chief minister or endorse him (Scindia). Later Kamal Nath was told that only Digvijay Singh would be appointed as the chief minister. Mr. Scindia had the Punjab government airplane waiting for him. However, the opportunity for him to go to Bhopal never came. The supporters of this mother-son duo say that while they both—Vijayaraje Scindia and Madhav Rao

Scindia—may appear to oppose each other, they care for each other's political interests. Mrs. Scindia, while she was living in Gwalior, did not address even one public meeting during the vidhan sabha election. However, she visited Digvijay Singh's constituency several times. Anyhow, Madhav Rao Scindia, instead of becoming uneasy by this development, is considering it an act of fate at this time.

The supporters of Arjun Singh's "theory about backward groups" see Madhav Rao Scindia clearly covered under it. They say that Mr. Scindia would be considered belonging to a backward group according to Madhya Pradesh criteria. Arjun Singh had floated Mr. Scindia's name before he used Subhas Yadav's name for chief minister's position. Mr. Digvijay Singh himself does not hesitate expressing his disagreement over this backward theory with Arjun Singh. In an answer to a JANSATTA correspondent's question while returning from Chanda-mota to Bhopal, he had said that a lot had been written about his relationship with Arjun Singh. "Arjun Singh and I think alike. We both have the same ideas about the problems in Madhya Pradesh. We have worked in politics together for 16 years because of the similarity of our ideas, and not because of our personal relations. However, I do not agree with his comment that only a member of scheduled castes, aborigines, backward classes, and minorities can serve those groups. Mahatma Gandhi did not belong to any of these groups, however, he served these groups more than anyone else."

Mr. Digvijay Singh says that these groups need social justice. It is important to win their trust to take strict action if they are subjected to unfair treatment. He is also keeping in mind why the legislators belonging to scheduled castes, aborigines, and the backward groups elected him the chief minister even though they all were consulted individually. He was asked why had he mentioned Kamal Nath's name in the context of his being elected chief minister, but had never mentioned Arjun Singh's name. Digvijay Singh asked, "What is the purpose of mentioning Arjun Singh's name in Chhindwara?" When asked if it was true that Scindia was upset with the cabinet, he replied, "He has been very cooperative." We asked him, "Before becoming the chief minister, you had said that the prime minister should apologize to the Muslims." Digvijay Singh's reply after becoming the chief minister was, "That is in the past. It is not necessary to repeat it now. The prime minister has already expressed his regret." Digvijay Singh does understand the difference between regret and apology.

Digvijay Singh explained his policy over the communalism issue. "I have told the police and administrative officials not to hire any person who has any connection with a communal group or is involved in communal activities to any government committee. The social positions of such persons is enhanced if they are allowed to associate with high-level government officials. Additionally, we ignore secular persons this way." When asked if the government officers would not cause problems by labeling a person of being communalist, he

replied, "Sometime, little rocks are also ground with the wheat. We just cannot avoid it."

Madhya Pradesh' chief minister, Digvijay Singh, has already established his priorities. He wants to hold elections of local governments and panchayats before June. After that, he will appoint a 90-member legislative commission. He says about it that all orders will be issued through the cabinet members. At present, he wants to expand or revise his cabinet appointments. One of his priority is to supply kerosene oil in villages at controlled rates. When he had asked the villagers in his meetings about the price of kerosene oil, he was told they bought it at 7 to 9 rupees per liter. He also said that patwaris and gardawars [civil servants] will go to villages to process land sale and transfer documents. The villagers have told him in one of his meetings that they have to pay as much as 1,000 rupees in bribes for preparing transfer documents. He had called Ashok Awasthi, then-tehsildar of Machagora, to the stage and asked him to explain himself. He sent him back and told him to straighten out the situation within three months or he will have to straighten him out himself.

The chief minister said about these announcements that these will not burden the state treasury; just have to make the system more effective. He has announced opening a 30-bed hospital in each development district and providing free electricity for an engine of up to five horsepower to every farmer before 1 February. Both these promises are included in the Congress (I) election brochure. Mr. Suresh Pichauri, the state Congress (I) general secretary, replied to a JANSATTA question, "We had discussed the financial aspects of this plan after meeting three times before we included it in our state brochure." He made an important announcement in Pandhurna about appointing public commissions at district levels. He has made the announcement to make a survey of unemployed educated young people and offer either a job or unemployment benefits to those with family income of less than 6,000 rupees.

The people have become more hopeful with these attractive announcements. He understands also the political results if these hopes are not fulfilled. Since he was appointed the chief minister only five weeks ago, only the future will tell how these promises are kept. The chief minister announced in Machagiri, "Kamal Nath and I will make surprise visits to one or the other village without telling the officials and take action against those who are making problems." This shows his desire to continue his association with Kamal Nath. His cabinet members know the meanings of these announcements. When the chief minister himself recognizes him as the king-maker, why should the minister hesitate in praising them falsely and opening up the government coffers for them? That was apparent during their two-day trip. However, behind political friendships, there are fears about political enmity also.

Alternative Budget Being Planned by Citizens Council

94AS0181F New Delhi JANSATTA in Hindi 24 Jan 94 pp 1, 10

[Article: "Alternative Budget Will Repudiate Government Claims"]

[Text] New Delhi, 23 January—Just like last year, an alternative budget will be presented this year again. This budget will nullify the government claim that there is no alternative to the new economic policy which means dependence of foreign debts. This can be called a citizens' budget. Through this citizens' budget, they are trying to raise a national movement against the government's economic policy. All organizations are participating in it. This is a new dimension of the alternative budget.

A citizens council is working to find an alternative to the government's economic policies. Prof. Arun Kumar is its organizer. This council has economists, political leaders, social workers, and actors as its members. A preliminary efforts was made by them last year. They had also presented model of an alternative budget. This time, the concept of this alternative budget is becoming a movement. Next month, on 13-14 February, a conference will be held at Gandhi Shanti Pratisthan. The alternative budget will be approved at that time.

The new economic policy of the government, meaning of Finance Minister Manmohan Singh, is pressured by all kind of limitations. The dependence on foreign debts is known to all. It has become a common knowledge that the government had written the 1991 budget under pressure from the IMF and the World Bank. Manmohan Singh is the creator of the new economic policy. He was an economic advisor in the Chandra Shekhar government. A report was sent by the World Bank during those days. This report was kept hidden from Prime Minister Chandra Shekhar. It is a secret as to who made that decision. Was the decision made because of World Bank pressure? This new economic policy was born from that report. Because of its dangerous aspects, the citizens council was created in December 1992 and it is still working. Prof. Arun Kumar says that the alternative budget will be able to solidly refute the government claims. The government claims that the path it has taken is the only alternative. He maintains that it is not true.

The alternative budget will show that if the nation uses its own resources properly, it will not need to borrow from abroad. The government opposed to it says that foreign debts are necessary and unavoidable. The decision to accept the Dunkel proposal is part of this effort. The alternative budget will show that. The alternative budget points to black money for resource. Arun Kumar says that at least 30 percent of the total economy is in black money, and it is not openly visible. Prof. Surajbhan Gupta had estimated in 1987 that this portion was 47 percent. According to Prof. Surajbhan Gupta, there are over four trillion rupees in black money in our

economic system. Prof. Arun Kumar estimates this amount to be 2.5 trillion rupees.

If we are successful to bring this portion under a taxation system to the government treasury, it is estimated that the government will earn 1.1 trillion rupees. At present the government earns only 200 billion rupees in direct taxes. The total budget deficit is 370 billion rupees. Even after paying that deficit, the government will save 630 billion rupees. The alternative budget emphasizes bringing the black money into the taxation system. It pushes for expanding the sphere of direct taxes. At present about six to seven million people are covered by direct taxes.

If we change the meaning of this government looking after the interests of only three percent of the population, we will be able to understand the philosophy behind the alternative budget. They want to bring those three percent population under the taxation system to protect the interests of the rest of the population. Can strong political desire be changed in support of it? This question is under discussion in this council. A workshop was called in October 1993 to discuss the alternative budget and the fact that our foreign currency deficit is related to the black money was discussed at that time. The foreign currency deficit is about 210 billion rupees. It is important to know that foreign exchange of about 450 billion rupees goes out of the country because of black money. In addition, political leaders, businessmen, and industrialists are sending about 180 billion rupees abroad under 'reference' plan. According to one estimate, between 1.8 trillion to 6 trillion rupees from our economy are in other countries. The interest on it is about 180 billion rupees which does not come to our country.

The truth is that the effort to make an alternative economic policy is a part of the swadeshi movement. More people are joining it now. Representatives of other campaigns are also joining it. The alternative budget will be an exercise. Sub-committees on agriculture, imports-exports, employment, institutional change, industries, taxation policy, and social services are working for preparing the budget.

New Challenges Facing Finance Minister Viewed
94AS0181B Bombay NAVBHARAT TIMES in Hindi
 10 Jan 94 p 4

[Commentary by Radhanath Chaturvedi: "Challenges Before the Finance Minister in the New Budget"; quotation marks as published]

[Text] The central government budget is to be presented in the Parliament on 28 February. Unless something unforeseen happens, the budget this year will be presented on or before 28 February. Before it, the traditional financial survey will be presented.

Due to the accusations levied in the report that the Joint Parliamentary Committee (JPC) had presented, Manmohan Singh, and not others, had submitted his resignation. This resignation had created an atmosphere of

uncertainty. The prime minister, by rejecting it, had removed this fog of uncertainty.

Whether Prime Minister Narasimha Rao was right or wrong in doing so is not appropriate for discussion here. We have to limit our discussion here to inflation and other economic issues.

The Congress (I) could not reduce prices of commodities within 100 days as it promised in its election manifesto. Instead, the prices increased. As for the present fiscal year, prices of coal and steel increased. This increase was affected by the government itself and did so by saying that their production costs had increased. The wages for laborers had to be increased. Almost a similar reason was given for increasing railway fares and cargo rates. Except for one time, the rate of inflation averaged 8.5 percent. If the finance minister wants to reduce budget deficit, which is his greatest challenge at this time, he must reduce inflation rate and prices of commodities.

We cannot say that nature is not helping the finance minister. Like the last five years, there were good rains this year also. More than 180 million tons of grains were produced. Production of oil seeds always cause concern, however, this year their production was satisfactory to an extent. Saurashtra, where we have good yield of peanuts, could not produce as good a peanut harvest as expected because of natural catastrophes.

Despite the good grains harvest and satisfactory oil seeds production, the prices of grains and oil seeds have increased. Even more troubling is the increase in pulses prices. In a country like India, be one rich or poor, pulses are the main source of proteins. Last year, pulses were around 15-16, and now arhar pulse, the most popular of the pulses, costs 23 rupees per kilogram. The same is true about mung, urd, and other pulses.

The combination of these reasons has increased the cost of living by 10.7 percent and the wholesale price index has gone up by 9 percent. The increase in inflation during this fiscal year will force the finance minister to seriously rethink his policies about prices and control in other areas. He has to keep in mind that there was no such thing as the Gulf war this year which could help an average citizen to understand the reason for price increase and excuse him for it. The government did lift control over the lubricants, however this could not have affected the inflation rate to rise 10-11 percent. What is the reason for it? The finance minister has to think about it. There was a rumor that the finance ministry was increasing petroleum prices to help reduce the cost of subsidies. However, there were elections in five states. Perhaps, that is why the finance ministry had to drop the idea of increasing petroleum prices.

If we look at the price indicators of the first half before December 1993, we will find that there was an increase of prices of almost all the listed items. The most significant aspect was the increase in electricity rates. The prices of fuel were also up. All these affect the common people. One reason for the increase in electricity rates is the widespread theft of electric power. The government

of the Electricity Board is not able to stop it. This theft usually occurs where electricity lines pass through slums where they pirate electricity by connecting illegally. When the question of taken action against these arises, the electricity department is told to be quiet and do not do anything.' [sentence as published] The leaders tell them, "It is where we will get our votes from." In other category are those rich people who damage their meters. This question is related to ethics and should be corrected at that level. The consumers and the corrupt electricity department employees work together in stealing electricity this way.

The price indicator last year was 231, and it has increased to more than 240 this year.

The prices of grains increased by 8.8 percent, prices of pulses by 40 percent, and electricity rates by 37 percent. The rise prices of oil seeds was the least, a record of half percent. Sugar prices increased by about 30 percent. Other increases were: cloth 10 percent, steel by percent, and chemical products about 5 percent. Measures should be taken to stop additional increases, only then will the inflation be checked.

It is not impossible to do that. There was good agricultural production in 1992-93 and receipt were also good. Because of the additional agricultural production of 180 million, receipts were high again. By the middle of 1994, the government warehouses will be full with these collected grains.

In some parts of Madhya Pradesh, Maharashtra, and Punjab, the cotton crop was badly destroyed by disease. That led to the recent increase in cotton prices. Still, no demand was made to import cotton. This means that what was produced will meet the need of our country. It is true that there has been some reduction in the production of sugar. Compared to the 1992-93 production of 13.4 million tons, this year the production was only 10.6 million tons, and this reduction has affected increase in its prices. It is estimated that the production of sugar will reach 11 million tons.

The challenge the finance minister has to meet while writing the 1994-95 budget will require help from gods. This help should be in the form of increased agricultural production. At the same time, there should a sizeable increase in industrial production. Chemical fertilizers and electric power must be provided to farmers and industrialists at subsidized rates. If it is not done then clearly the industrialists and farmers will not be able to do their job lacking these basic needs of production. If the rates of fertilizers and electricity increase, they will not have the purchasing power to meet their needs, and this will finally result in four-fold increase in prices.

Leftist Leaders Consider Importance of Unity
94AS0183T Bombay TIMES OF INDIA in English
9 Jan 94 p 9

[Article by Debashish Munshi: "Adapting to Changing Scenario: CPI-CPM Bid Not To Be Left Out"]

[Text] New Delhi, January 8. Red banners were ever so popular in the early 1960s. Those were the days when socialism was fashionable, the undivided Communist Party of India was the second largest party in Parliament, and the mighty Soviet Union was helping India set up massive public sector steel plants at Bhilai and Bokaro.

Three decades and a plastic surgery on the eco-political face of the country later, market-driven capitalism has obliterated the socialist goals of yesteryears, the public sector faces phased privatisation and a lonely Left movement is looking for committed allies to help put it back on the political road. This is a time for soul-searching for the Left parties in India for they know that unless they unite and re-adapt to the changing times they will be left behind in the race for political control.

"Contrary to what the popular media would like to believe, socialism is far from dead. It will survive. And nowhere is its future as bright as it is in the Third World, the most exploited part of human habitation," says the veteran CPI (Communist Party of India) leader, Mr M. Farooqui.

"But to be effective, we need to be united," Mr Farooqui acknowledges. It is this realisation that has brought the two principal Left parties, the CPI and the CPM (Communist Party of India-Marxist) closer to each other. Only recently, the general secretaries of the two parties, Mr Indrajit Gupta and Mr Harkishen Singh Surjeet, issued a joint circular, calling for the setting up of inter-party coordination committees at the state level.

For those who like to keep track of dates, it is significant that the friendly vibes between the two parties have come in a year that marks the 30th anniversary of the historic 1964 split in the Communist Party of India. It is no less significant that the CPI and the CPM have chosen Vijayawada as the venue of their forthcoming joint rally in Andhra Pradesh, the first in a very long time. It was in Vijayawada that the last party Congress of the undivided CPI was held way back in 1961.

"We have recognised the vital importance of Left unity," says the CPM politburo member, Mr Prakash Karat, "and are doing our utmost to achieve it." The recent central committee meeting of the CPM in Calcutta devoted considerable time to a discussion on this issue. The meeting, at least informally, also discussed the possibilities of identifying allies with whom the party could have electoral adjustments.

As a senior Left leader put it, "The unity of the Left and democratic forces is the only way to meet the threat from right-wing, communal and fascist parties." During the last few years, the Left has been holding on to the shirt tail of the National Front led by Mr V.P. Singh's Janata Dal. But now that the National Front has withered away and the Janata Dal is nothing but a shadow of its past, the Left has no option but to choose new partners for itself.

On the face of it, many consider Mr Mulayam Singh Yadav's Samajwadi Party (SP) to be an ideal partner of the Left as Yadav not only calls himself a socialist but, had once even described his party as a "real Left party."

Though he still has a lot of respect and goodwill for the Left, Mr Yadav is more than a bit miffed about the manner in which the Left Front "ditched" him during the recent assembly elections in U.P. [Uttar Pradesh] "If the Left had stood by us as we had expected it to do, we would have got an absolute majority in the House," Mr Yadav says. Mr Yadav has another reason to be cautious about any understanding with the Left. His comrade-in-arms, Mr Kanshi Ram of the Bahujan Samaj Party (BSP), has been involved in a bitter war of words with Communist leaders over who really represents the poor and the downtrodden in the country. And Mr Yadav, can ill afford to antagonise Mr Kanshi Ram at this juncture.

Fundamental differences between the mainline Communist parties like the CPI and the CPM on the one hand and the "Far Left" represented by groups like the Indian People's Front (IPF) have been stumbling blocks in the way of a broader Left unity.

The radical Left has made its presence felt among the student community. "With our string of successes in university elections across the Hindi heartland, we are beginning to be noticed," says Mr Vinod Mishra, the firebrand Naxalite who came overground sometime ago to head the Liberation group of the CPI (Marxist-Leninist), a major constituent of the IPF.

The campuses that were won over by the All India Students' Association (AISA), the students' wing of the IPF, include the Benaras Hindu University,—for long a stronghold of the Akhil Bharatiya Vidyarthi Parishad (ABVP), a BJP (Bharatiya Janata Party) affiliate. Apart from storming the "saffron bastion" of U.P., the AISA humbled the Students' Federation of India (SFI), a CPM affiliate, in the Jawaharlal Nehru University students' union elections.

"There are persisting differences among the various Left groups but a functional unity is within our reach," feels Mr Mishra. After all, he says, the SFI and AISA activists cooperated with each other during the recent students' agitation in Bihar.

For many Left watchers, the Communist movement in India can survive only if the Left parties change gears to keep pace with developments worldwide. Leaders like Mr Farooqui are already beginning to look at China and Vietnam as role models. Both these countries, he says, have pushed through economic reforms while maintaining a tight leash on the political structure of their countries. China, he points out, has opened up its economy but has taken care to protect its national interests by refusing to sign GATT (General Agreement on Tariffs and Trade).

But, Left watchers point out that economic reforms is not the only aspect of "changing gears." They refer to the faint signs of a schism within the principal Left parties

on the ticklish issue of internal democracy. The expulsion of Ms K.R. Gowri, a Communist to the core and a pioneer in evolving progressive agrarian reforms in Kerala, from the CPM for raising a voice of dissent, is seen by many as "counter-productive" to the party's interests. Mr Karat, however, disagrees. "The party is more important than any individual. The individual is what he or she is because of the party," he says.

Left leaders, however, agree that a certain amount of flexibility is essential to bring about Left unity. Both Mr Farooqui and Mr Karat are unanimous in the view that a joint struggle against the economic policies of the government can be an effective first step in uniting "Left and democratic forces."

IRAN

Inflaming Regional Armament Rush

94WC0023Z Paris AL-WATAN AL-ARABI 10 Dec 93
p 31

[Article by Military Affairs editor]

[Text] Since the end of the Gulf war, Iran has turned into the most dangerous country in the area by virtue of its pursuit of a massive rearmament policy encompassing conventional, chemical and nuclear weaponry, to the degree that all of the classified military reports warn continually of the Iranian threat looming over the Gulf. The situation has prompted a return of the arms race to the countries of the region, which have sought to obtain defensive systems. Dubai's recent airshow is a reflection of this anxiety-driven climate, wherein all weapons-manufacturing countries [exhibitions] had crowds. What is the true nature of the Iranian threat, and how should the countries of the region confront it?

Weeks after the end of the Gulf war, the major industrialized countries called for the imposition of an embargo on weapons exports to the developing nations. In the opinion of the "majors," advanced weaponry in the hands of the "minors" would necessarily lead to the flare-up of wars, in contrast to the situation among the former. Rearmament among the majors has a deterrent goal; in essence, the availability of effective weaponry to a given state leads to other states' fearing to attack it. This logic underlay the formation of the "nuclear strike force" in France during the reign of General Charles de Gaulle. The rationale was that the existence of such a formidable force in France, in the first and last instance, would be a deterrent to others against launching a war against France, and not that France would launch a nuclear attack against the enemy. All nuclear nations adopted this Gaullist nuclear logic, and none deviated from it except for Russia, recently. A fortnight ago, the Russian minister of defense stated that his country would respond with nuclear weapons to any attack on its territory using conventional weapons.

Addressing members of Congress in March 1991, one week after the end of the Gulf war, former U.S. President George Bush expressed his fear of the smaller countries'

arming, especially those of the Middle East. "It is catastrophic, now that the war is over, for Middle Eastern and Arab Gulf countries to enter a new arms race."

Bush failed in the U.S. presidential elections, and with him fell the theory of arms limitation (in the Middle East and elsewhere), because the weapons-manufacturing lobby has the ability to find any justification for selling weapons, and even for participating in the escalation of regional crises and tensions in order that the volume of sales not be affected.

What has survived is merely the theory of the prevention of the deployment of (nuclear, biological, and chemical) weapons of mass destruction.

Dubai's recent airshow witnessed the largest gathering of producers of civilian and military aircraft, missiles, electronics, and radars, not to mention radar jamming equipment.

Russia staged an aerial demonstration of the "Sukhoi 35," its latest aircraft. Besides its aircraft, Britain dispatched Crown Prince Charles to carry out public relations for the British aircraft manufacturers. France sent its minister of defense and industry, who doubles as the minister of foreign trade.

Warplane manufacturers' mouths watered when the UAE [United Arab Emirates] announced its desire to purchase 80 advanced fighter aircraft at a cost of no less than \$10 billion. Experts have estimated the cost of arms purchases in the Gulf area for the remainder of the century at \$65 billion.

There is competition between the United States and France for the arms market, with the United States ahead by leagues. Since 1990, [the United States] has sold \$39 billion worth of weapons to the countries of the region. As for France, do not forget that it was Iraq's primary arms supplier prior to the Gulf war. Thirty percent of its military exports in the years 1982, 1983, 1984, and 1985 were to Iraq alone (13 billion French francs per year), and 70 percent of its military sales were to Middle Eastern and North African countries. France has succeeded in striking large deals in at least three Gulf countries, the most significant of which is the provision of 436 large LeClerc tanks to the Emirate of Abu Dhabi.

In addition to the United States and France, Russia (which dominated the advanced countries' markets in the region during the Soviet Union era), Italy, Britain and Germany were represented, not to mention new countries such as South Africa and the Czech Republic, in addition to China and North Korea.

Prior to the Gulf war, Iraqi leaders were under the impression that their country had become the primary regional military power following the end of the Iraqi-Iranian war in mid-1988.

Iranian Arsenal

Following the Gulf war and the defeat of the Iraqi Army, Iran once again stood out as a regional military power.

The rulers of Tehran drafted a large rearmament program based on a declared annual military outlay of \$8 billion. This vast sum drained the Iranian budget and overburdened the Iranian economy and is the reason for the inflation now extant in Iran, as well as the poor exchange rate of the Iranian currency.

The focus of Iran's military programs was its naval fleet. The prevailing view is that Iran has purchased three "Kilo"-class Russian submarines, taken delivery of two of them, and is awaiting delivery of the last one at the start of next year. However, it has recently been revealed that the "Kilo" submarine deal signed by Iran with Russia involves seven, not three, submarines.

Each "Kilo" submarine is capable of carrying 18 torpedoes or 36 naval mines, and is equipped with four surface-to-air "SAM-16" missiles. In early 1993, Iran received an estimated 1,800 "Kilo"-compatible naval mines.

The most important development in the rearmament of Iran, however, has been its formation of a squadron of "Sukhoi 24" strike fighters. In the opinion of American military experts in the region, the threat to shipping in the Gulf that is posed by these aircraft is greater than that posed by the "Kilo" submarines.

Negotiations are in their advanced states between Iran and China on the supply to Iran of 10 "Hegu" fast boats equipped with "Ying-Ji" antiship missiles with a range of 40 km.

A report entitled "The Strategic Plan for the Intelligence World in the Nineties," submitted by CIA Director James Woolsey to the U.S. Congress, states that Iran most probably will be the first country to obtain the 1000-km-range North-Korean-manufactured "Nodong" missile, and that within six years it will be capable of manufacturing the "Scud-B" and "Scud-C" short-range missiles, in addition to the "Nodong" missile.

Defensive Measures

In the face of the Iranian threat to control navigation in the waters of the Arab Gulf, Arab Gulf countries undertook effective defensive measures to counter the Iranian mines. The minesweeper deals concluded by three Gulf countries fall under this category. Also, the Gulf cruisers and fast missile boats are a practical response to the Iranian cruisers and boats. Gulf Cooperation Council countries enjoy close military cooperation, and in most of them there is in place an integrated air defense, monitoring and early warning system. The Saudi "Peace Shield" system operates during peacetime at the same level of total efficiency as did "Desert Storm" during wartime. Gulf countries enjoy greater material capabilities and capacity for defensive provisioning than does Iran. Thus, Iran's policy of "muscle-flexing" remains limited and indicative of short-sightedness. It would have been more advantageous for the rulers of Tehran to

have directed oil revenues to investments and developmental causes for the benefit of their people than to have utilized them for the purchase of arms and the impoverishment of their citizens.

Commentary Blames Algerian Military for Unrest
NC1302220094 Tehran SALAM in Persian 2 Feb 94
p 16

[Unattributed commentary: "Algeria—Toward Civil War"]

[Excerpts] Eventually, as was to be expected, following the display rigged up in the name of "a conference for national consensus" the militarists usurped power by appointing the Algerian defense minister as the country's president. This proves that no political solution remains for the Algerian crisis.

Even though the military have long been the actual rulers behind the scenes in Algeria and are well aware of the situation in their society and of their impotence to quell the Islamic movement, they were forced to take this risk for their self-perpetuation in the crisis-ridden Algerian society.

It is interesting to note that the Algerian politicians were not prepared, as wisdom dictated, to accept any risks in order not to become toys in the hands of the military. It

is evident that the military's success or failure will decide the future destiny of Algeria, and already the signs of defeat are obvious!

The Western countries—including France—have not welcomed the current situation and the lack of legitimacy at home, which is not even in conformity with the 1989 Algerian Constitution. This certainly does not bode well for the militarists' turn at the helm of government for the next three years. In order to keep their position they will be forced to resort to a military dictatorship and complete repression, and this will lead Algeria toward a full-fledged civil war in which the Muslims will enjoy political legitimacy and popular backing. [passage omitted]

In view of the continuing political crisis, which has been exacerbated by the concomitant economic crisis stemming from a reduction of oil prices, the military's usurpation of power in Algeria can be construed as "political suicide." Perhaps, since they do not believe in reconciliation with the Islamic movement and cannot accept peaceful coexistence with them, they are prepared to embark on this suicide! If the militarists had been on the side of the people, and had yielded to the popular will, they would not have darkened their own future as well as that of Algeria.

END OF

FICHE

DATE FILMED

20 APR 1994